

MUTALE MUNICIPALITY



2015/2016- 2017/2018
APPROVED MEDIUM TERM REVENUE
&
EXPENDITURE FRAMEWORK

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2. MAYOR'S REPORT

Honourable speaker of the council, Cllr Netshipise,
Honourable chief whip, Cllr Nekhunguni
All EXCO members.
Our traditional leaders
Leaders of various political parties
Fellow Mutale Residents
All officials
Ladies and Gentlemen

Good afternoon

Honourable speaker Cllr Netshipise, allow me to greet everybody present here this morning in a general council sitting for this financial year 2014/2015.

Let me remind this council, those four days ago on the 25 of May 2015, as Africans we were celebrating the Africa day at the University of Limpopo.

Madam speaker, I am humbled by the citizens of Mutale local municipality, the way they showed true love to foreign nations. Our Municipality love and care for all the human being, regardless where they came from, we are all African.

Mutale local municipality is moving to the right direction in providing services such as: refuse removal, water provision, electricity, access roads and housing. We achieve this because the provincial departments as well as national are supporting us to execute our mandate.

Madam speaker and fellow councillors as you would be aware the fight against poverty, inequality and underdevelopment remains a challenge in our communities. Mutale Local municipality will not rest and we dare not to falter in our drive to eradicate poverty.

Madam speaker, we are here today to adopt 2015/2016 IDP and budget as working tools for services delivery for the next financial year. It is good for us as we meet when there are 32 days left before we start our financial year on the 1st of July 2015.

Let the 1st of July 2015 come, we must all hit the ground running .All programmes and projects should start immediately , we don't need any excuse, those who don't comply, we will work with them in harmony.

Today we are approving a budget that is aligned with national and provincial policies.

Madam speaker

I thank you

2. 2. Budget Resolutions

On 29 May 2015 the Council of Mutale municipality met in the Council Chamber of Mutale municipality to consider the annual budget of the municipality for the financial year 2015/16. The Council approved and adopted the following resolutions:

- 1 That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Mutale Municipality for the financial year 2015/16; and indicative allocations for the two projected outer years 2016/17 and 2017/18; and the multi-year and single year capital appropriations are tabled as set-out in the following tables:**
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 1.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source

- 2 That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:**
 - 2.1 Budgeted Financial Position;
 - 2.2 Budgeted Cash Flows;
 - 2.3 Cash backed reserves and accumulated surplus reconciliation;
 - 2.4 Asset management; and
 - 2.5 Basic service delivery measurement.

- 3 That the consolidated budget that includes the financial impact of all municipal entities is noted.**

- 4 That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation**

services and property rates as set out in Budget Chapter 21 and annexure A respectively that were used to prepare the estimates of revenue by source, are tabled with effect from 1 July 2015.

- 5 That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) as set out in Budget Chapter 19 and Annexure A is tabled.
- 6 That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are tabled.
- 7 That in terms of section 24(2)(c)(iv) of the Municipal Finance Management Act, 56 of 2003, the amendments to the integrated development plan as set out in Budget Chapter 17 are tabled.
- 8 That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 19 are tabled for the budget year 2015/16.
- 9 That the Basic Services Package as set out in Budget Chapter 19 is tabled for the budget year 2015/16.

NETSHIPISE LIVHUWANI HILDA
SPEAKER

DATE

2. Executive Summary

The budget has been compiled and funded in terms section 18 (1) of Municipal Finance Management Act. The results from consultative forums were considered and positively and taken.

The budget process plan was prepared and tabled to council and approved on 28 August 2014. On the 28 March 2015, the draft Integrated Development Plan, draft Budget, draft Organizational structure and draft tariff structure were tabled to council. Public Participations were conducted on 24 and 25 April 2015 in all thirteen wards.

The revenue sources to fund both operating and capital expenditure for 2015/2016 financial year are as follows

Grants and Subsidies	R117, 934,000 million
Accumulated Funds [own/other income]	R10, 983,449 million
External Borrowings	<u>R = nil</u>
Total Income Budget	<u>R128, 917,449 million</u>

The Capital budget for 2015/2016 financial year is **R40, 076,797 million**

The operating budget for 2015/2016 is subdivided as follows:

Employee related costs	R37, 825,636million
Councilors remuneration	R 8,338,003 million
Repairs & Maintenance	R 5,973,540 million

General Expenditure	R30, 699,879 <u>million</u>
Total operating expenditure	R82, 837,058 million

Municipal Tariffs have been generally increased by 4.8%.

Past financial performances for the past two years are indicated below:

REVENUE	2012/2013	2013/2014
	“000”	“000”
Property rates	1,440	4,000
Service charges	249	1,026
Rental of facilities	55	119
Interest- income	976	1,547
License and permits	2,107	3,565
Fines	538	290
Grants	64,412	78,593
Other revenue	1,199	3,398
EXPENDITURE		
Employee related costs	28,537	33,009
Councilors allowance	6,631	6,886
Repairs and maintenance	1,309	6,360
General expenditure	13,795	17,860
NET SUPPLUS/ DEFICIT	16,177	28,423

The priorities as outlined in the Integrated Development Plan are in line with the National, Provincial and District priorities covers (amongst others)

1. job creation
2. local economic development

3. basic service delivery (access to water, sanitation, electricity, refuse removal and municipal roads)
4. financial management (clean audit, revenue enhancement, asset management etc)
5. public participation

The Budgetary constraint that the municipality is facing is the extent of operational budget which exceeds the capital budget. The contributing factor is the salary budget which consumes bigger percentage of the whole budget. This is due to high staff component that is a result of transfer of staff from sector departments to local municipality. Furthermore National Treasury gives a minimal allocation in respect MIG which is solely utilized to implement capital projects. Whilst the municipality is having a bigger percentage of the budget being salaries (69%), annually there are salary increments which should be affected with low revenue base which the municipality have

This situation will continue until such time that the municipality has improved its revenue base and utilizes that improvement to implement capital projects.

In the year 2015/2016, a multi year project to tar Mutale Ext ring road streets will continue. See supporting table SA36 for a (Summary of detailed Capital budget) for the years.

Tariff Policies

Municipality tariff policy provide a board framework within which the council can determine fair, cost benefit, transparent and affordable charges that also promote sustainable service delivery. The policies approved on various dates and a consolidated tariff policy is envisaged to be compiled for ease of administration and implementation for the next three years.

3.1 Annual budget tables

The budget tables are detailed in **annexure A**. It includes the following:

Number	Description
Table A1	Budget Summary
Table A2	Budgeted Financial Performance (revenue and expenditure by classification)
Table A3	Budgeted Financial Performance (revenue and expenditure by municipal vote)
Table A4	Budgeted Financial Table Performance(revenue and expenditure)
Table A5	Budgeted Capital Expenditure by vote, standard classification and funding
Table A6	Budgeted Financial Position
Table A7	Budgeted Cash Flows
Table A8	Cash backed reserves/accumulated surplus reconciliation

Table A9	Asset management
Table A10	Basic service delivery measurement

4. SUPPORTING DOCUMENTATION

The budget is accompanied by supporting documents in terms of section 17 (3) of the MFMA.

See supporting tables SA1 –SA 37 in annexure B

4.1 Overview of annual budget process

The budget process plan was prepared and tabled to council on the 31 August 2014. The budget instructions were issued to head of departments in September 2014 for submission of the budget proposals to the Chief Financial Officer for consolidation. The IDP and budget public participations were held on 24 and 25 April 2015 in all thirteen wards.

➤ **Political oversight of the budget process**

The link between priorities and spending plans lies in enhancing political oversight of the budget process. Section 53(1)(a) of the MFMA states that the Mayor of a municipality must provide political guidance over the budget process and priorities that must guide the preparation of the budget. This is essential to ensure that:

- The political Executive is responsible for policy prioritization
- Policy priorities are linked to department spending plans and the delivery of quality services.

Political oversight of the budget process allows municipality to manage the tension between competing policy priorities and fiscal realities. The key to strengthen the linkage between priorities and departmental plans lies in enhancing political oversight of the IDP and budget process. The Executive committee and extensive community consultation process play a leading role in guiding the alignment of resource allocation with national, provincial and local priorities.

➤ **Schedule of Key deadlines relating to the budget process MFMA s 21(1)(b)**

The budget time schedule for the compilation of the draft 2015/2016 MTREF was approved by Council on 31 August 2014

➤ **Process of tabling and approval of the draft**

Tabling to Council of draft 2015/2016 MTREF for community consultation process was done on 31 March 2015

➤ **Consultation with stakeholders and outcomes**

The draft 2015/2016 MTREF had been tabled before council on 31 March 2015 for community consultation and was made available on municipality's website and hard copies were made available at Municipal offices and the library.

All documents in the appropriate format (Electronic & Printed) were provided to Provincial Treasury in accordance with the MFMA, to give opportunity for their inputs.

Community consultation process took place on 24 and 25 April 2015.

After consideration of all budget submissions the Mayor was given the opportunity to respond, if necessary, revise the budget and table amendments for consideration.

➤ **Stakeholders involved in consultations**

The stakeholders involved are organized businesses, churches, non-governmental institutions, community-based organizations and individual members of the public.

The budget was submitted to Provincial treasury, National treasury and COGTA on 01 April 2015 for their consideration, in line with section 23 of the MFMA.

5.1 Overview of alignment of budget with Integrated Development Plan

The programs and Projects that have been reflected in the Integrated Development Plan have been budgeted for. The positions reflected in the Organizational structure will all be filled in the budget year 2015/2016.

1. Vision

A developmental Municipality that ensures sustainable economic growth and equitable service delivery

2. Mission

“We strive to provide quality service & building local economy through information and knowledge building, strong partnerships in harmony with the natural environment.”

3. Core Values and Operating Principles

- Deliver on the mandate of the people of Mutale
- Achieve state-led development through an effective Intergovernmental Relations System (IGR);
- Drive integrated development
 - Ensure transparency and accountability;
 - Provide quality service delivery and implement Batho Pele;
- Build institutional capacity and achieve transformation;
- Develop strategic partnerships;
- Achieve people-centered development
- Use e-governance as a means to make government accessible to the people.

4. Integrated Development Plan

The Constitution of the Republic of South Africa (1996) commits Government to undertake the measures that will ensure that all South Africans have access to adequate housing, health care, education, food, water and social security.

Local Government has as duty to ensure that the abovementioned is achieved through the implementation of development policies and legislation that supports the developmental goals of South Africa

Integrated developmental planning in the South African context is amongst other an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development.

Furthermore, integrated development planning provides a strategic environment for managing and guiding all planning, development and decision making in the municipality.

In 2000 the Municipal Systems Act 32 of 2000 (MSA) came into operation. According to Section 25(1) of the Act each municipal council must, after the start of its elected term, adopt a single, inclusive, and strategic plan for the development of the municipality which

- Links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
- Aligns the resources and capacity of the municipality with the implementation of the plan
- Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation

5. The five- Year strategic objective Integrated Development Plan

This document comprises the five-year strategic plan and programme of action for the Mutale Municipality embarked on strategic and developmental processes to ensure that it fulfills its mandate and obligations as per the Constitution of South Africa, to

- Provide services in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Give priority to the basic needs of communities; and

- Encourage the involvement of communities in the matters of local government

6. Aligning budget priorities

In order to ensure integrated and focused service delivery between all spheres of government it was important for the Mutale Municipality to align its budget priorities with that of National and provincial government. It is evident that all spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery and poverty alleviation and building sound institutional arrangements

NATIONAL PRIORITIES

- Efficient and effective public services
- Job creation
- Procurement reforms and fighting corruption

LIM342 Mutale - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Financial viability	Good sound Financial Management			4,647	42,881	53 999	71,236	70,472	70,472	94 927	97 945	97 730
Service delivery and Infrastructure Development	Continuous improvement on basic service infrastructure development			4,170	536	42 370	28,511	33,244	33,244	29 757	28 702	29 812
Safety and security	Safety on the road			2,469	196	2 921	3,771	3,547	3,547	3 717	3 936	4 157

Good governance and public participation	Promote a culture of accountability, participatory, responsiveness, transparency and clean governance		2	56,419	684	97	1,433	516	516	516	547	577
Local Economic Development	Sustainable economic growth and improve livelihoods of the people through LED											
Allocations to other priorities			1									
Total Revenue (excluding capital transfers and contributions)			1	67,705	44,298	99 386	104,951	107,780	107,780	128 917	131 130	132 275

LIM342 Mutale - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand												
Financial vability	Good sound Financial Management			14,312	20,891	29 472	18,683	17,695	17,695	19 027	20 007	21 014
Service delivery and Infrastructure Development	Continous improvement on basic service infrastructure development			28,694	1,732	17 115	25,794	26,927	26,927	23 744	25 018	26 317
Safety and security	Safety on the road			4,433	–	5 074	6,268	5,806	5,806	6 790	7 093	7 409
Local Economic Development	Sustainable economic growth and improve livelihoods of the people through LED			3,355	1,715	–	3,050	2,957	2,957	7 890	8 295	8 712

		H											
Allocations to other priorities			3										
Total Capital Expenditure			1	15,785	18,352	31 751	33,567	34,586	34,586	40 077	32 896	37 030	

5.2 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system is constantly refined as the integrated planning process unfolds. The Municipal targets, monitors, assess, and reviews organizational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple year is being considered; plans and budget for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly during *the last stage*, the performance information process begins when policies are being developed, and continues through each of the planning, budget, implementation and reporting stages. The planning, budgeting and reporting cycle can be graphically illustrated as follows:

Planning, budgeting and reporting cycle

The performance of Mutale municipality relates directly to the extent to which it has achieved success in realizing its goals and objectives, complied with legislative requirements and meeting stakeholder expectations. The municipality therefore has adopted one integrated performance management system which encompasses:

- Planning (setting goals, objectives, targets and benchmarks);

- Monitoring (regular monitoring and checking on the progress against plan);
- Measurement (indicators and success);
- Review (identifying areas requiring change and improvement);
- Reporting (what information, to whom, from whom, how often and for what purpose); and
- Improvement (making changes where necessary).

The performance information concepts used by the municipality in its integrated performance management system are aligned to the *Framework of Managing Programme Performance Information* issued by the National Treasury:

2.3.1. Performance indicators and benchmarks

2.3.1.1. Borrowing Management

Capital expenditure in local government can be funded by capital grants, own- source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its credit worthiness and financial position. The following financial performance indicators have formed part of the compilation of the 2015/2016 MTREF:

- Borrowing to asset ratio is a measure of long-term borrowing as a percentage of total asset base of municipal.
- Borrowing funding of own expenditure measure the degree to which own capital expenditure (excluding grants and contribution) has been founded by way of borrowing.

2.3.1.2 Safety of Capital

- The debt-to-equity ratio is a financial ratio indicating the relative proportion of equity and debt used in financing the municipal's assets.
- The gearing ratio is a measure of total long term borrowing over funds and reserves.

2.3.1.3 Liquidity

- Current ratio is a measure of the current assets divided by the current liabilities

- The liquidity ratio is a measure of ability of municipal to utilized cash and cash equivalent to extinguish or retire its current liabilities immediately.

2.3.1.4 Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash flow.

2.3.2 Free Basic Services: basic social services package for indigent household

- The social package assists households that have difficulty paying for service and registered as indigent household in terms of the Indigent Policy of Mutale municipality..

LIM342 Mutale - Supporting Table SA8 Performance indicators and benchmarks

[illegible]

<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	0.4	0.8	0.8	0.9	0.7	0.7	1.7	1.8	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.8	0.8	0.9	0.7	0.7	1.7	1.8	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.4	0.2	0.3	0.2	0.2	0.5	0.6	0.6
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		64.4%	0.3%	94.5%	94.2%	103.4%	0.0%	97.2%	87.7%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		64.4%	0.3%	94.5%	83.3%	91.8%	91.8%	87.6%	87.7%	88.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	86.3%	37.9%	18.0%	3.1%	3.1%	3.1%	3.8%	3.6%	3.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old							17.0%	19.0%	21.0%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))							45.0%	47.0%	50.0%
Creditors to Cash and Investments		224.9%	64.0%	90.4%	86.6%	24.4%	24.4%	30.5%	11.8%	8.5%
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW)							0%	0%	0%
	Total Cost of Losses (Rand '000)							0%	0%	0%
	% Volume (units purchased and generated less units sold)/units purchased and generated							0%	0%	0%
Water Distribution Losses (2)	Total Volume Losses (kℓ)							0%	0%	0%
	Total Cost of Losses (Rand '000)							0%	0%	0%
	% Volume (units purchased and generated less units sold)/units purchased and generated							0%	0%	0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	171.4%	53.4%	47.4%	43.8%	40.7%	40.7%	36.0%	37.2%	38.9%

Remuneration	Total remuneration/(Total Revenue - capital revenue)	360.6%	70.4%	70.2%	52.9%	49.9%	49.9%	43.9%	45.4%	47.6%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	0.0%	0.0%	0.0%	6.5%	6.9%	6.9%	5.7%	5.9%	6.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.6%	4.3%	4.9%	3.8%	3.9%	3.9%	3.2%	3.3%	3.5%
<u>IDP regulation financial viability indicators</u>		-								
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	7.1	4.9	9.1	8.2	8.2	8.2	11.8	13.9	14.0
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	351.7%	1159.8%	365.0%	80.5%	79.3%	79.3%	112.7%	106.7%	101.0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.0	8.6	5.2	1.0	1.8	1.8	1.9	4.7	6.1

5.3 Overview of budget-related policies

There are no changes on budget related policies:

- Cash Management Policy
- Fixed Asset Policy
- Revenue management Policy
- Property Rates Policy
- Risk management policy
- Tariff policy
- Indigent policy
- Virement policy
- Budget policy
- Borrowing policy

- Funding and Reserve policy
- Capital Infrastructure Investment policy
- Supply Chain management policy
- Impairment of Debtors policy
- Service Standard policy

5.4 Overview of budget assumptions

The growth rate used for the medium term budget and tariff increase is 4.8%

1. National priority- Expanding public sector investment in infrastructure

Domestically, after five years of strong growth, during which about five hundred jobs were created, we still intend to create five hundred more jobs.

2. Image of local government

There are 5 keys factors that have been taken into consideration in the compilation of the 2016/15 MTREF

3. Procurement reforms and fighting corruption

Our Supply Chain Management policy have been reviewed and approved by Council on 31 March 2015.

4. Taking the 2011 Local Government Budgets and Expenditure Review forward

The review highlights the following:

- Revenue management
- Collecting outstanding debts
- Pricing services correctly
- Under spending on repairs and maintenance
- Spending on non-priorities base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over long term

5. Local government equitable share formula review and 2011 Census

6. Impact of the new formula on our municipal budget

Our equitable share and Municipal Infrastructure Grant have increased.

7. Local government conditional grants and additional allocations to local government

8. Council oversight over the budget process

9. Regulation of SCOA for local government

10. Financial applications (systems) and the impact of SCOA
11. Management accounting and tariff setting
12. Municipal budget and benchmark engagements and timeframes for tabling MTREF'S

5.5 Overview of budget funding

The budget is funded by the following sources:

- Rates, tariffs and other charges
- Grant allocations

The table below illustrates the breakdown of operating revenue over the medium-term:

	2015/16 Medium Term Revenue & Expenditure Framework					
	Budget Year		Budget Year +1		Budget Year +2	
	2015/2016	%	2016/2017	%	2017/2018	%
-						
Property rates	2,150,000	2.13%	2,150,000	2.10%	2,150,000	2.11%
Service charges	1,283,024	1.27%	1,358,723	1.33%	1,434,811	1.41%
Investment revenue	500,000	0.49%	500,000	0.49%	500,000	0.49%
Transfers recognized- operational	94,127,000	93.15%	96,054,300	93.96%	95,902,200	94.08%
Other own revenue	2,991,879	2.96%	2,168,398	2.12%	1,945,830	1.91%
Total operating revenue (excluding capital transfers)	101,051,903	100%	102,231,421	100%	101,932,841	100%

Total operating expenditure	82,837,058	87,137,335	91,561,537
Surplus/Deficit	18,214,845	15,094,086	10,371,304

Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The Municipality derives most of its operational revenue solid waste removal, rental of properties, Property rates, operating and capital grants from organs of state and other minor charges (such as building plan fees, licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- Achievement of a 70 per cent annual collection rate for consumer revenue;
- National Treasury guidelines;

The above principles guide the annual increase in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The proposed tariff increases for the 2015/16 MTREF on the different revenue categories is 4.8%,

LIM342 Mutale - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		39,276	46,189	48,460	70,265	70,265	70,265	94,127	96,054	95,902
Local Government Equitable Share		37,232	42,889	44,920	64,971	64,971	64,971	88,938	91,791	91,163
Finance Management		1,254	1,500	1,650	1,800	1,800	1,800	1,875	2,010	2,345
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1,033
EPWP Incentive		–	1,000	1,000	1,357	1,357	1,357	1,131	–	

Other transfers/grants [MIG]		-	-		1,203	1,203	1,203	1,253	1,296	1,361
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [MIG]										
District Municipality:		4,726	-	-	-	82	82	-	-	-
<i>[Operation and maintenance]</i>		4,726	-		-	82	82	-	-	-
Other grant providers:		444	-	-	-	24	24	-	-	-
LED		444	-							
LGSETA					-	24	24	-	-	-
Total Operating Transfers and Grants	5	44,446	46,189	48,460	70,265	70,371	70,371	94,127	96,054	95,902
<u>Capital Transfers and Grants</u>										
National Government:		13,910	18,223	40,238	22,855	26,055	26,055	23,807	24,630	25,863
Municipal Infrastructure Grant (MIG)		13,910	17,486	15,595	22,855	26,055	26,055	23,807	24,630	25,863
Disaster Grant			57	24,643	-	-	-			
Integrated National Electrification Grant			680		-	-	-			
Other capital transfers/grants [DEAE]										
Provincial Government:		2,292	-	-	-	-	-	-	-	-
Other capital transfers/grants [DME]		2,292	-		-	-	-			
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[Operation and maintenance]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
LED										
Total Capital Transfers and Grants	5	16,202	18,223	40,238	22,855	26,055	26,055	23,807	24,630	25,863

TOTAL RECEIPTS OF TRANSFERS & GRANTS		60,648	64,412	88,698	93,120	96,426	96,426	117,934	120,684	121,765
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5.6 Expenditure on grant allocations and grant programmes

LIM342 Mutale - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
EXPENDITURE:	1									
- <u>Operating expenditure of Transfers and Grants</u>										
National Government:		39,276	46,189	48,460	70,265	70,265	70,265	94,127	96,054	95,902
Local Government Equitable Share		37,232	42,889	44,920	64,971	64,971	64,971	88,938	91,791	91,163
Finance Management		1,254	1,500	1,650	1,800	1,800	1,800	1,875	2,010	2,345
Municipal Systems Improvement		790	800	890	934	934	934	930	957	1,033

EPWP Incentive		–	1,000	1,000	1,357	1,357	1,357	1,131	–	
Other transfers/grants [MIG]		–	–		1,203	1,203	1,203	1,253	1,296	1,361
Provincial Government:		–	–	–	–	–	–	–	–	–
District Municipality:		4,726	–	–	–	82	82	–	–	–
<i>[Operation and maintenance]</i>		4,726	–		–	82	82	–	–	–
Other grant providers:		444	–	–	–	24	24	–	–	–
LED		444	–		–	24	24	–	–	–
LGSETA										
Total operating expenditure of Transfers and Grants:		44,446	46,189	48,460	70,265	70,371	70,371	94,127	96,054	95,902
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		13,910	18,223	40,238	22,855	26,055	26,055	23,807	24,630	25,863
Municipal Infrastructure Grant (MIG)		13,910	17,486	15,595	22,855	26,055	26,055	23,807	24,630	25,863
Disaster Grant			57	24,643						
Integrated National Electrification Grant			680							
Other capital transfers/grants [DEAE]										
Provincial Government:		2,292	–	–	–	–	–	–	–	–
Other capital transfers/grants [DME]		2,292	–					–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
<i>[Operation and maintenance]</i>										
Other grant providers:		–	–	–	–	–	–	–	–	–
LED										
Total capital expenditure of Transfers and Grants		16,202	18,223	40,238	22,855	26,055	26,055	23,807	24,630	25,863

[illegible]

Housing Allowances	3								
Other benefits and allowances	3								
Board Fees									
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-
<u>Senior Managers of Entities</u>									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-
<u>Other Staff of Entities</u>									
Basic Salaries and Wages									
Pension and UIF Contributions									
Medical Aid Contributions									
Overtime									
Performance Bonus									
Motor Vehicle Allowance	3								
Cellphone Allowance	3								
Housing Allowances	3								
Other benefits and allowances	3								
Payments in lieu of leave									
Long service awards									
Post-retirement benefit obligations	6								
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-

Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		52 923	37 599	41 512	43 433	40 861	40 861	54 164	48 373	50 688
% increase	4		(29.0%)	10.4%	4.6%	(5.9%)	-	32.6%	(10.7%)	4.8%
TOTAL MANAGERS AND STAFF	5,7	36 952	30 968	34 385	35 972	33 367	33 367	45 826	39 585	41 425

NOTE:

Employee cost:

The employee related cost has increased by 4,4 per cent due to vacant posts that were filled late during the year (2014/2015) as well as some that will be filled during the coming year. Circular 75 was considered when calculating the employee related costs.

Councillor's remunerations

The Government Gazette on Upper Limits for Councillors remuneration was used to determine the remuneration of councillors.

LIM342 Mutale - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<u>Councillors</u>	3							
Speaker	4		381,881	54,040	188,374			624,294
Chief Whip			358,013	50,662	178,350			587,025
Executive Mayor			477,351	67,550	228,472			773,373
Deputy Executive Mayor			-	-	-			-
Executive Committee			935,609	132,397	504,892			1,572,898
Total for all other councillors			2,720,904	385,034	1,674,476			4,780,413
Total Councillors	8	-	4,873,758	689,683	2,774,562			8,338,003
<u>Senior Managers of the Municipality</u>	5							
Municipal Manager (MM)			630 572	166 536	212 343			1 009 452
Chief Finance Officer			505 813	117 573	214 933			838 319
Technical Manager			506 091	145 891	197 776			849 758

<i>Sanitation</i>					11	11		10	10	
<i>Refuse</i>										
<i>Other</i>			10		30	30		30	30	
Clerks (Clerical and administrative)					27	27		27	27	
Skilled agricultural and fishery workers										
Craft and related trades					6	6		6	6	
Plant and Machine Operators										
Elementary Occupations					28	28		28	28	
TOTAL PERSONNEL NUMBERS	9	146	152	26	188	183	31	167	159	29
% increase					28.8%	20.4%	19.2%	(11.2%)	(13.1%)	(6.5%)

5.8 Monthly targets for revenue, expenditure and cash flows

LIMB42 Mutale - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue By Source																
Property rates		185	174	164	179	279	179	107	179	279	179	119	125	2,150	2,150	2,150
Property rates - penalties & collection charges													-	-	-	-
Service charges - electricity revenue													-	-	-	-
Service charges - water revenue													-	-	-	-
Service charges - sanitation revenue													-	-	-	-
Service charges - refuse revenue		100	110	107	117	111	107	107	118	107	110	107	83	1,283	1,359	1,435
Service charges - other													-	-	-	-
Rental of facilities and equipment		9	6	7	7	8	7	8	7	6	7	7	6	87	92	97
Interest earned - external investments		50	43	42	42	52	42	32	32	42	42	42	42	500	500	500
Interest earned - outstanding debtors		42	41	42	42	43	42	47	42	44	42	41	35	500	500	500
Dividends received													-	-	-	-
Fines		27	25	26	30	25	24	25	27	25	25	21	20	302	320	338
Licences and permits		316	262	264	264	244	316	264	264	224	264	274	213	3,170	3,357	3,545
Agency services													-	-	-	-
Transfers recognised - operational		31,376				31,126		250		31,376	-	-	-	94,127	96,054	96,902
Other revenue		250	240	250	240	250	260	220	250	270	250	240	268	2,992	2,168	1,946
Gains on disposal of PPE													-	-	-	-
Total Revenue (excluding capital transfers and contributions)		32,355	902	902	921	32,138	977	1,061	919	32,373	919	851	791	105,110	106,500	106,412
Expenditure By Type																
Employee related costs		8,901	4,144	3,244	3,144	3,344	3,144	3,154	3,648	3,244	3,144	3,544	3,168	45,826	39,585	41,425
Remuneration of councillors		675	658	675	675	655	675	675	856	695	695	671	735	8,338	8,788	9,263
Debt impairment													2,234	2,234	2,357	2,482
Depreciation & asset impairment													3,174	3,174	3,349	3,526
Finance charges		11	13	12	13	13	15	13	14	13	10	13	16	162	171	180
Bulk purchases													-	-	-	-
Other materials													-	-	-	-
Contracted services		289	156	150	181	250	140	181	140	161	259	223	144	2,273	2,372	2,472
Transfers and grants													-	-	-	-
Other expenditure		2,373	2,453	2,473	2,373	2,583	2,373	2,253	2,273	2,903	2,373	2,173	2,226	28,831	30,516	32,213
Loss on disposal of PPE													-	-	-	-
Total Expenditure		12,250	7,424	6,555	6,387	6,846	6,348	6,277	6,932	7,017	6,482	6,625	11,697	90,837	87,137	91,562
Surplus/(Deficit)																
Transfers recognised - capital		20,105	(6,522)	(5,652)	(5,465)	25,293	(5,371)	(5,216)	(6,013)	25,356	(5,562)	(5,773)	(10,906)	14,273	19,363	14,851
Contributions recognised - capital		7,500				4,500			9,000		2,807	-	-	23,807	24,630	25,863
Contributed assets													-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		27,605	(6,522)	(5,652)	(5,465)	29,793	(5,371)	(5,216)	2,987	25,356	(2,755)	(5,773)	(10,906)	38,080	43,992	40,714
Taxation													-	-	-	-
Attributable to minorities													-	-	-	-
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	27,605	(6,522)	(5,652)	(5,465)	29,793	(5,371)	(5,216)	2,987	25,356	(2,755)	(5,773)	(10,906)	38,080	43,992	40,714

LIMB42 Mutale - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand																
Revenue by Vote																
Vote 1 - EXECUTIVE AND COUNCIL													—	—	—	—
Vote 2 - MUNICIPAL MANAGER'S OFFICE													—	—	—	—
Vote 3 - BUDGET AND TREASURY OFFICE		22,211	2,938	1,938	3,938	21,156	4,938	3,938	1,938	20,059	4,938	3,938	3,000	94,927	97,945	97,730
Vote 4 - INFRASTRUCTURE DEVELOPMENT		5,109	4,474	596	396	496	396	5,849	596	796	7,109	696	3,246	29,757	28,702	29,812
Vote 5 - CORPORATE SERVICES		453	353	281	353	253	353	271	353	471	353	381	361	4,233	4,483	4,734
Vote 6 - [NAME OF VOTE 6]													—	—	—	—
Vote 7 - [NAME OF VOTE 7]													—	—	—	—
Vote 8 - [NAME OF VOTE 8]													—	—	—	—
Vote 9 - [NAME OF VOTE 9]													—	—	—	—
Vote 10 - [NAME OF VOTE 10]													—	—	—	—
Vote 11 - [NAME OF VOTE 11]													—	—	—	—
Vote 12 - [NAME OF VOTE 12]													—	—	—	—
Vote 13 - [NAME OF VOTE 13]													—	—	—	—
Vote 14 - [NAME OF VOTE 14]													—	—	—	—
Vote 15 - [NAME OF VOTE 15]													—	—	—	—
Total Revenue by Vote		27,773	7,764	2,814	4,686	21,904	5,686	10,058	2,886	21,325	12,400	5,014	6,607	128,917	131,130	132,275
Expenditure by Vote to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL		933	733	833	933	833	933	633	833	833	1,933	833	933	11,197	11,816	12,460
Vote 2 - MUNICIPAL MANAGER'S OFFICE		657	690	610	660	657	655	657	657	680	657	557	748	7,890	8,295	8,712
Vote 3 - BUDGET AND TREASURY OFFICE		2,586	1,586	1,286	1,486	1,486	1,386	1,586	1,586	1,586	1,286	1,586	1,586	19,027	20,007	21,014
Vote 4 - INFRASTRUCTURE DEVELOPMENT		6,002	4,009	2,006	801	782	2,004	1,002	700	600	3,502	900	1,438	23,744	25,018	26,317
Vote 5 - CORPORATE SERVICES		4,772	1,972	1,772	2,972	1,672	1,802	1,772	2,572	1,672	1,872	2,872	3,257	28,979	22,001	23,058
Vote 6 - [NAME OF VOTE 6]													—	—	—	—
Vote 7 - [NAME OF VOTE 7]													—	—	—	—
Vote 8 - [NAME OF VOTE 8]													—	—	—	—
Vote 9 - [NAME OF VOTE 9]													—	—	—	—
Vote 10 - [NAME OF VOTE 10]													—	—	—	—
Vote 11 - [NAME OF VOTE 11]													—	—	—	—
Vote 12 - [NAME OF VOTE 12]													—	—	—	—
Vote 13 - [NAME OF VOTE 13]													—	—	—	—
Vote 14 - [NAME OF VOTE 14]													—	—	—	—
Vote 15 - [NAME OF VOTE 15]													—	—	—	—
Total Expenditure by Vote		14,950	8,991	6,506	6,852	5,430	6,780	5,650	6,348	5,371	9,250	6,748	7,961	90,837	87,137	91,562
Surplus/(Deficit) before assoc.		12,823	(1,226)	(3,692)	(2,166)	16,475	(1,094)	4,408	(3,462)	15,954	3,150	(1,734)	(1,354)	38,080	43,992	40,714
Taxation													—	—	—	—
Attributable to minorities													—	—	—	—
Share of surplus/ (deficit) of associate													—	—	—	—
Surplus/(Deficit)	1	12,823	(1,226)	(3,692)	(2,166)	16,475	(1,094)	4,408	(3,462)	15,954	3,150	(1,734)	(1,354)	38,080	43,992	40,714

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

LIMB42 Mutale - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Revenue - Standard																
<i>Governance and administration</i>		22,255	2,981	1,979	3,981	21,196	4,981	3,980	1,981	20,100	4,981	3,983	3,048	95,444	98,491	98,307
Executive and council													-	-	-	-
Budget and treasury office		22,211	2,938	1,938	3,938	21,156	4,938	3,938	1,938	20,059	4,938	3,938	3,000	94,927	97,945	97,730
Corporate services		44	43	41	43	40	43	42	43	41	43	45	48	516	547	577
<i>Community and public safety</i>		61	38	46	38	46	39	46	41	46	39	49	63	547	579	612
Community and social services		30	15	20	10	20	15	20	18	20	17	20	35	245	260	274
Sport and recreation													-	-	-	-
Public safety		30	22	25	27	25	23	25	22	25	21	28	27	302	320	338
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		5,360	6,664	1,298	1,388	1,368	1,388	7,130	1,388	1,388	1,331	1,408	1,535	31,644	30,700	31,922
Planning and development		200	190	100	190	170	190	180	190	190	180	210	290	2,283	1,418	1,153
Road transport		5,159	6,474	1,198	1,198	1,198	1,198	6,949	1,198	1,198	1,151	1,198	1,245	29,361	29,283	30,769
Environmental protection													-	-	-	-
<i>Trading services</i>		131	100	102	107	102	102	107	103	107	100	107	116	1,283	1,359	1,435
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management		131	100	102	107	102	102	107	103	107	100	107	116	1,283	1,359	1,435
<i>Other</i>													-	-	-	-
Total Revenue - Standard		27,806	9,782	3,424	5,513	22,711	6,509	11,262	3,512	21,640	6,450	5,546	4,761	128,917	131,130	132,275
Expenditure - Standard																
<i>Governance and administration</i>		5,316	4,056	4,287	4,088	4,088	4,309	4,087	4,328	4,197	4,231	4,397	12,448	59,835	54,535	57,320
Executive and council		1,701	1,391	1,591	1,491	1,591	1,691	1,491	1,591	1,801	1,591	1,801	1,361	19,087	20,111	21,172
Budget and treasury office		1,586	1,586	1,686	1,586	1,486	1,586	1,586	1,686	1,386	1,586	1,586	1,686	19,027	20,007	21,014
Corporate services		2,030	1,080	1,011	1,012	1,012	1,033	1,011	1,052	1,011	1,055	1,011	9,402	21,720	14,417	15,134
<i>Community and public safety</i>		166	152	148	153	145	146	153	142	153	151	153	174	1,838	1,865	1,900
Community and social services													-	-	-	-
Sport and recreation		45	37	35	39	36	34	39	33	39	38	40	53	469	491	515
Public safety		101	100	99	99	96	99	99	97	99	99	98	102	1,185	1,180	1,182
Housing		20	15	14	15	13	13	15	12	15	14	15	19	185	194	203
Health													-	-	-	-
<i>Economic and environmental services</i>		2,186	1,969	1,946	1,869	1,939	1,769	1,950	2,169	1,961	1,689	1,976	2,495	23,919	25,203	26,514
Planning and development		701	584	561	584	554	584	565	584	576	584	591	740	7,206	7,607	8,014
Road transport		1,485	1,385	1,385	1,285	1,385	1,185	1,385	1,585	1,385	1,105	1,385	1,755	16,713	17,597	18,501
Environmental protection													-	-	-	-
<i>Trading services</i>		460	435	422	435	416	435	413	435	416	435	462	477	5,245	5,534	5,828
Electricity		130	106	102	106	105	106	104	106	101	106	103	118	1,295	1,371	1,448
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management		330	329	320	329	311	329	309	329	315	329	369	369	3,950	4,163	4,380
<i>Other</i>													-	-	-	-
Total Expenditure - Standard		8,129	6,613	6,804	6,546	6,589	6,660	6,604	7,075	6,728	6,507	6,989	15,595	90,837	87,137	91,562
Surplus/(Deficit) before assoc.		19,677	3,170	(3,380)	(1,033)	16,122	(151)	4,658	(3,563)	14,912	(57)	(1,443)	(10,833)	38,080	43,992	40,714
Share of surplus/ (deficit) of associate													-	-	-	-
Surplus/(Deficit)	1	19,677	3,170	(3,380)	(1,033)	16,122	(151)	4,658	(3,563)	14,912	(57)	(1,443)	(10,833)	38,080	43,992	40,714

LIMB42 Mutale - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Multi-year expenditure to be appropriated	1															
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER'S OFFICE													-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE													-	-	-	-
Vote 4 - INFRASTRUCTURE DEVELOPMENT		2,500	1,000	3,000	2,000	3,000	-	4,000	-	3,000	3,000		2,560	24,060	24,926	24,630
Vote 5 - CORPORATE SERVICES													-	-	-	-
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	2,500	1,000	3,000	2,000	3,000	-	4,000	-	3,000	3,000	-	2,560	24,060	24,926	24,630
Single-year expenditure to be appropriated																
Vote 1 - EXECUTIVE AND COUNCIL													-	-	-	-
Vote 2 - MUNICIPAL MANAGER'S OFFICE													-	-	-	-
Vote 3 - BUDGET AND TREASURY OFFICE				50			65			30			25	170	230	600
Vote 4 - INFRASTRUCTURE DEVELOPMENT		30	385	1,010	150	605	-	1,480	200	-	500	-	-	4,360	5,630	10,200
Vote 5 - CORPORATE SERVICES		110	500	200	-	200	-	590	400	427	400	200	460	3,487	2,110	1,600
Vote 6 - [NAME OF VOTE 6]													-	-	-	-
Vote 7 - [NAME OF VOTE 7]													-	-	-	-
Vote 8 - [NAME OF VOTE 8]													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	140	885	1,260	150	805	65	2,070	600	457	900	200	485	8,017	7,970	12,400
Total Capital Expenditure	2	2,640	1,885	4,260	2,150	3,805	65	6,070	600	3,457	3,900	200	3,045	32,077	32,896	37,030

LIM342 Mutale - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Capital Expenditure - Standard	1															
<i>Governance and administration</i>		5	350	85	-	20	65	35	500	30	-	-	832	1,922	630	600
Executive and council														-	-	-
Budget and treasury office				50			65			30			25	170	230	600
Corporate services		5	350	35		20		35	500				807	1,752	400	-
<i>Community and public safety</i>		4,100	-	550	540	500	50	600	2,075	348	500	-	970	10,233	9,599	26,230
Community and social services		100			90		50		75	50			370	735	710	1,600
Sport and recreation		4,000		550	450	500		600	2,000	298	500		600	9,498	8,889	24,630
Public safety													-	-	-	-
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		1,500	1,000	-	1,580	2,000	-	3,000	-	2,500	3,000	-	982	15,562	14,921	3,200
Planning and development													-	-	-	-
Road transport		1,500	1,000		1,580	2,000	-	3,000	-	2,500	3,000		982	15,562	14,921	3,200
Environmental protection													-	-	-	-
<i>Trading services</i>		-	30	10	-	-	-	-	10	-	-	-	510	560	30	-
Electricity													-	-	-	-
Water													-	-	-	-
Waste water management													-	-	-	-
Waste management			30	10					10				510	560	30	-
<i>Other</i>		1,000		1,000		100		500			600		600	3,800	7,716	7,000
Total Capital Expenditure - Standard	2	6,605	1,380	1,645	2,120	2,620	115	4,135	2,585	2,878	4,100	-	3,894	32,077	32,896	37,030
Funded by:																
National Government		5,725		6,174		5,814		6,254					93	24,060	24,926	24,630
Provincial Government													-	-	-	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		5,725	-	6,174	-	5,814	-	6,254	-	-	-	-	93	24,060	24,926	24,630
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		688	698	608	798	898	598	598	598	898	829	608	200	8,017	7,970	12,400
Total Capital Funding		6,413	698	6,782	798	6,712	598	6,852	598	898	829	608	293	32,077	32,896	37,030

LIMB42 Mutale - Supporting Table SA30 Budgeted monthly cash flow															
MONTHLY CASH FLOWS	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source													1		
Property rates	143	143	143	143	143	143	143	143	143	143	143	143	1,720	1,720	1,720
Property rates - penalties & collection charges													—		
Service charges - electricity revenue													—		
Service charges - water revenue													—		
Service charges - sanitation revenue													—		
Service charges - refuse revenue	102	102	102	102	102	102	102	102	102	102	102	102	1,219	1,291	1,363
Service charges - other													—		
Rental of facilities and equipment	7	7	7	7	7	7	7	7	7	7	7	7	82	87	92
Interest earned - external investments	42	42	42	42	42	42	42	42	42	42	42	42	500	500	500
Interest earned - outstanding debtors	21	21	21	21	21	21	21	21	21	21	21	21	250	250	250
Dividends received													—		
Fines	25	25	25	25	25	25	25	25	25	25	25	25	302	320	338
Licences and permits	264	264	264	264	264	364	264	264	264	294	264	134	3,170	3,357	3,545
Agency services													—		
Transfer receipts - operational	31,376				31,126		250		31,376				94,127	96,054	96,902
Other revenue	114	314	314	214	314	234	214	314	84	114	314	144	2,698	1,952	1,751
Cash Receipts by Source	32,094	918	918	818	32,044	938	1,068	918	32,064	748	918	618	104,063	105,531	105,461
Other Cash Flows by Source															
Transfer receipts - capital	7,500				4,500			9,000		2,807			23,807	24,630	25,863
Contributions recognised - capital & Contributed assets													—		
Proceeds on disposal of PPE													—		
Short term loans													—		
Borrowing long term/refinancing													—		
Increase (decrease) in consumer deposits	1						1			1		0	3	3	3
Decrease (increase) in non-current debtors	83	63	107	83	83	103	114	83	63	73	83	58	1,000	—	—
Decrease (increase) other non-current receivables													—		
Decrease (increase) in non-current investments													—		
Total Cash Receipts by Source	39,678	981	1,025	901	36,627	1,041	1,183	10,001	32,127	3,629	1,001	676	128,873	130,164	131,327

Cash Payments by Type															
Employee related costs	8,901	4,144	3,244	3,144	3,344	3,144	3,154	3,648	3,244	3,144	3,544	3,168	45,826	39,485	41,321
Remuneration of councillors	675	675	675	675	675	675	675	856	695	695	695	674	8,338	8,788	9,263
Finance charges	13	13	13	13	13	13	13	13	13	13	13	13	162	171	180
Bulk purchases - Electricity															
Bulk purchases - Water & Sewer															
Other materials															
Contracted services	100	150	180	550	150	100	100	97	97	97	97	82	1,799	1,898	1,998
Transfers and grants - other municipalities															
Transfers and grants - other															
Other expenditure	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	28,478	30,143	31,819
Cash Payments by Type	12,063	7,356	6,486	6,756	6,556	6,306	6,316	6,988	6,423	6,323	6,723	6,310	84,602	80,485	84,581
Other Cash Flows/Payments by Type															
Capital assets	330	—	7,752	150	2,752	1,752	752	4,752	7,752	3,752	752	1,578	32,077	32,896	37,030
Repayment of borrowing	38	38	38	38	38	38	38	38	38	38	38	38	460	177	—
Other Cash Flows/Payments			760		680		600		660		560	760	4,000	1,000	—
Total Cash Payments by Type	12,431	7,394	15,036	6,944	10,026	8,096	7,706	11,779	14,863	10,113	8,063	8,686	121,139	114,558	121,611
NET INCREASE/(DECREASE) IN CASH HELD	27,247	(6,413)	(14,011)	(6,043)	26,601	(7,055)	(6,523)	(1,777)	17,264	(6,484)	(7,062)	(8,010)	7,734	15,605	9,717
Cash/cash equivalents at the month/year begin:	2,000	29,247	22,834	8,823	2,781	29,381	22,326	15,803	14,026	31,290	24,806	17,744	2,000	9,734	25,339
Cash/cash equivalents at the month/year end:	29,247	22,834	8,823	2,781	29,381	22,326	15,803	14,026	31,290	24,806	17,744	9,734	9,734	25,339	35,056

NOTE:

The above table indicates that the municipality has budget for the capital payment equal to the capital expenditure. That is our plan to spend the amount we allocated within the year as we are busy doing the final processes of Supply Chain Management processes.

Our municipality budget is credible.

5.9 Annual budgets and service delivery and budget implementation plans- internal departments

5.10 Contracts having future budgetary implications

In terms of Mutale municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years). In ensuring adherence to this contractual time frame limitation, all reports submitted to either the Bid Evaluation and Adjudication Committees must obtain formal financial comments from the Financial Management Division of the Treasury Department.

LIM342 Mutale - Supporting Table SA35 Future financial implications of the capital budget

Vote Description R thousand	Ref	2015/16 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Present value
Capital expenditure	1							
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-				
Vote 2 - MUNICIPAL MANAGER'S OFFICE		-	-	-				
Vote 3 - BUDGET AND TREASURY OFFICE		170	230	600				
Vote 4 - INFRASTRUCTURE DEVELOPMENT		36,420	30,556	34,830				
Vote 5 - CORPORATE SERVICES		3,487	2,110	1,600				
Vote 6 - [NAME OF VOTE 6]		-	-	-				
Vote 7 - [NAME OF VOTE 7]		-	-	-				
Vote 8 - [NAME OF VOTE 8]		-	-	-				
Vote 9 - [NAME OF VOTE 9]		-	-	-				
Vote 10 - [NAME OF VOTE 10]		-	-	-				
Vote 11 - [NAME OF VOTE 11]		-	-	-				
Vote 12 - [NAME OF VOTE 12]		-	-	-				
Vote 13 - [NAME OF VOTE 13]		-	-	-				
Vote 14 - [NAME OF VOTE 14]		-	-	-				
Vote 15 - [NAME OF VOTE 15]		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		40,077	32,896	37,030	-	-	-	-
Future operational costs by vote	2							
Vote 1 - EXECUTIVE AND COUNCIL								
Vote 2 - MUNICIPAL MANAGER'S								

OFFICE							
Vote 3 - BUDGET AND TREASURY							
OFFICE							
Vote 4 - INFRASTRUCTURE							
DEVELOPMENT							
Vote 5 - CORPORATE SERVICES							
Vote 6 - [NAME OF VOTE 6]							
Vote 7 - [NAME OF VOTE 7]							
Vote 8 - [NAME OF VOTE 8]							
Vote 9 - [NAME OF VOTE 9]							
Vote 10 - [NAME OF VOTE 10]							
Vote 11 - [NAME OF VOTE 11]							
Vote 12 - [NAME OF VOTE 12]							
Vote 13 - [NAME OF VOTE 13]							
Vote 14 - [NAME OF VOTE 14]							
Vote 15 - [NAME OF VOTE 15]							
<i>List entity summary if applicable</i>							
Total future operational costs		-	-	-	-	-	-
<u>Future revenue by source</u>	3						
Property rates							
Property rates - penalties & collection charges							
Service charges - electricity revenue							
Service charges - water revenue							
Service charges - sanitation revenue							
Service charges - refuse revenue							
Service charges - other							
Rental of facilities and equipment							
<i>List other revenues sources if applicable</i>							
<i>List entity summary if applicable</i>							
Total future revenue		-	-	-	-	-	-
Net Financial Implications		40,077	32,896	37,030	-	-	-

LIM342 Mutale - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									

[illegible]

Infrastructure - Sanitation								
<i>Reticulation</i>	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>								
Infrastructure - Other	-	-	-	60	60	60	560	2,146
<i>Waste Management</i>				60	60	60	560	2,146
<i>Transportation</i>								
<i>Gas</i>								
<i>Other</i>								
Community	-	-	-	3,600	855	855	-	4,000
Parks & gardens							4,000	-
Sportsfields& stadia				3,600	855	855	-	24,630
Swimming pools								
Community halls								
Libraries								
Recreational facilities								
Fire, safety & emergency								
Security and policing								
Buses								
Clinics								
Museums & Art Galleries								
Cemeteries								
Social rental housing								
Other								
Heritage assets	-	-	-	-	-	-	-	-
Buildings								
Other								
Investment properties	-	-	-	-	-	-	-	-
Housing development								
Other								
Other assets	31	-	7,401	8,132	7,954	7,954	13,957	5,940
General vehicles			598				400	450

Surplus Assets - (Investment or Inventory)										
Other										
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>										
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Capital Expenditure on renewal of existing assets	1	-	-	15,280	21,000	25,067	25,067	13,954	20,810	7,000

<u>Specialised vehicles</u>		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										

<i>Renewal of Existing Assets as % of total capex</i>		0.0%	0.0%	48.1%	62.6%	72.5%	72.5%	34.8%	63.3%	18.9%
<i>Renewal of Existing Assets as % of deprecn"</i>		0.0%	0.0%	551.8%	700.0%	835.6%	835.6%	439.6%	621.5%	198.5%

LIM342 Mutale - Supporting Table SA34c Repairs and maintenance expenditure by asset class

[illegible]

Other Buildings				81	300	300	300	316	335	353
Other Land										
Surplus Assets - (Investment or Inventory)										
Other				94	250	250	250	264	279	295
Agricultural assets										
<i>List sub-class</i>										
Biological assets										
<i>List sub-class</i>										
Intangibles										
Computers - software & programming										
Other (<i>list sub-class</i>)										
Total Repairs and Maintenance Expenditure	1	-	-	1,376	5,373	5,684	5,684	5,974	6,321	6,672

Specialised vehicles										
Refuse										
Fire										
Conservancy										
Ambulances										

R&M as a % of PPE		0.0%	0.0%	1.7%	3.9%	5.1%	5.1%	4.2%	3.6%	3.1%
R&M as % Operating Expenditure		0.0%	0.0%	2.1%	7.5%	8.0%	8.0%	7.2%	7.3%	7.3%

LIM342 Mutale - Supporting Table SA34d Depreciation by asset class

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand	1									
<u>Depreciation by Asset Class/Sub-class</u>										
-										
<u>Infrastructure</u>		-	-	-	531	531	531	561	592	623
Infrastructure - Road transport		-	-	-	178	178	178	187	198	208
<i>Roads, Pavements & Bridges</i>					178	178	178	187	198	208
<i>Storm water</i>										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
<i>Generation</i>										
<i>Transmission & Reticulation</i>										
<i>Street Lighting</i>										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>										
<i>Water purification</i>										
<i>Reticulation</i>										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>										
<i>Sewerage purification</i>										
Infrastructure - Other		-	-	-	353	353	353	373	394	415
<i>Waste Management</i>					353	353	353	373	394	415
<i>Transportation</i>										
<i>Gas</i>										
<i>Other</i>										
<u>Community</u>		-	-	-	125	125	125	132	140	147
Parks & gardens										
Sportsfields& stadia					125	125	125	132	140	147

5.12 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipal's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department. Since the introduction of the Internship programme the municipality has successfully employed and trained 5 interns through this programme and a majority of them were appointed either in the municipality or other Institutions.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2015 directly aligned and informed by the 2015/16 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

Most of the employees in the Budget and Treasury Office have been trained. (Interns have just started while some are finalizing the program.

8. Policies

Budget related policies are in place and reviewed annually.

5.13 Other supporting documents

LIM342 Mutale - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
REVENUE ITEMS:										
<u>Property rates</u>	6									
Total Property Rates		3,316	1,440	2,429	2,300	2,060	2,060	2,300	2,300	2,300
<i>less Revenue Foregone</i>				130	150	150	150	150	150	150
Net Property Rates		3,316	1,440	2,299	2,150	1,910	1,910	2,150	2,150	2,150
<u>Service charges - electricity revenue</u>	6									
Total Service charges - electricity revenue										
<i>less Revenue Foregone</i>										
Net Service charges - electricity revenue		-	-	-	-	-	-	-	-	-
<u>Service charges - water revenue</u>	6									
Total Service charges - water revenue										
<i>less Revenue Foregone</i>										
Net Service charges - water revenue		-	-	-	-	-	-	-	-	-
<u>Service charges - sanitation revenue</u>										
Total Service charges - sanitation revenue										
<i>less Revenue Foregone</i>										
Net Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
<u>Service charges - refuse revenue</u>	6									
Total refuse removal revenue		225	249	548	1,000	1,234	1,234	1,294	1,370	1,447

[illegible]

Total Contributions recognised - capital	-	-	-	-	-	-	-	-	-
<u>Depreciation & asset impairment</u>									
Depreciation of Property, Plant & Equipment	1,371	2,127	2,769	3,000	3,000	3,000	3,174	3,349	3,526
Lease amortization									
Capital asset impairment									
Depreciation resulting from revaluation of PPE									
Total Depreciation & asset impairment	1,371	2,127	2,769	3,000	3,000	3,000	3,174	3,349	3,526
<u>Bulk purchases</u>									
Electricity Bulk Purchases									
Water Bulk Purchases									
Total bulk purchases	-	-	-	-	-	-	-	-	-
<u>Transfers and grants</u>									
Cash transfers and grants	-	-	-	-	-	-	-	-	-
Non-cash transfers and grants	-	-	-	-	-	-	-	-	-
Total transfers and grants	-	-	-	-	-	-	-	-	-
<u>Contracted services</u>									
List services provided by contract	2,168	1,503	1,729	2,337	2,174	2,174	2,273	2,372	2,472

[illegible]

Total 'Other' Expenditure	1	8,047	10,622	11,664	20,382	22,320	22,320	28,831	30,516	32,213

Repairs and Maintenance by Expenditure Item	8									
Employee related costs										
Other materials										
Contracted Services										
Other Expenditure		8,288		1,376	5,373	5,684	5,684	5,974	6,321	6,672
Total Repairs and Maintenance Expenditure	9	8,288	–	1,376	5,373	5,684	5,684	5,974	6,321	6,672

Dividend Votable - Supporting Table 3: Main Financial Performance Budget (Revenue sources expenditure type and capacity)

Description	Ref	Vote 1 - EXECUTIVE AND COUNCIL	Vote 2 - MUNICIPAL MANAGER'S OFFICE	Vote 3 - BUDGET AND TREASURY OFFICE	Vote 4 - INFRASTRU CTURE DEVELOPME NT	Vote 5 - CORPORATE SERVICES	Vote 6 - [NAME OF VOTE 6]	Vote 7 - [NAME OF VOTE 7]	Vote 8 - [NAME OF VOTE 8]	Vote 9 - [NAME OF VOTE 9]	Vote 10 - [NAME OF VOTE 10]	Vote 11 - [NAME OF VOTE 11]	Vote 12 - [NAME OF VOTE 12]	Vote 13 - [NAME OF VOTE 13]	Vote 14 - [NAME OF VOTE 14]	Vote 15 - [NAME OF VOTE 15]	Total
R thousand	1																
Revenue By Source																	
Property rates				2,150													2,150
Property rates - penalties & collection charges																	-
Service charges - electricity revenue																	-
Service charges - water revenue																	-
Service charges - sanitation revenue																	-
Service charges - refuse revenue					1,283												1,283
Service charges - other																	-
Rental of facilities and equipment						87											87
Interest earned - external investments				500													500
Interest earned - outstanding debtors				500													500
Dividends received																	-
Fines						302											302
Licences and permits						3,170											3,170
Agency services																	-
Other revenue				34	2,283	675											2,992
Transfers recognised - operational				91,743	1,131												92,874
Gains on disposal of PPE																	-
Total Revenue (excluding capital transfers and contributions)		-	-	94,927	4,697	4,233	-	-	-	-	-	-	-	-	-	-	103,857
Expenditure By Type																	
Employee related costs			4,809	7,869	10,173	22,975											45,826
Remuneration of councillors		8,338															8,338
Debt impairment				2,234													2,234
Depreciation & asset impairment				3,174													3,174
Finance charges				162													162
Bulk purchases																	-
Other materials																	-
Contracted services				2,273													2,273
Transfers and grants																	-
Other expenditure		2,859	3,081	3,789	13,835	5,266											28,831
Loss on disposal of PPE																	-
Total Expenditure		11,197	7,869	19,501	24,008	28,241	-	-	-	-	-	-	-	-	-	-	90,837
Surplus/(Deficit)		(11,197)	(7,869)	75,426	(19,311)	(24,008)	-	-	-	-	-	-	-	-	-	-	13,020
Transfers recognised - capital					25,060												25,060
Contributions recognised - capital																	-
Contributed assets																	-
Surplus/(Deficit) after capital transfers & contributions		(11,197)	(7,869)	75,426	5,749	(24,008)	-	-	-	-	-	-	-	-	-	-	38,080

LIM342 Mutale - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2011/12	2012/13	2013/14	Current Year 2014/15			2015/16 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousand										
ASSETS										
<u>Call investment deposits</u>										
Call deposits < 90 days										
Other current investments > 90 days										
Total Call investment deposits	2	-	-	-	-	-	-	-	-	-
<u>Consumer debtors</u>										
Consumer debtors		6,354	9,846	-	5,000	5,000	5,000	6,000	6,000	6,000
Less: Provision for debt impairment		-	-		(2,650)	(2,650)	(2,650)	(2,234)	(2,357)	(2,482)
Total Consumer debtors	2	6,354	9,846	-	2,350	2,350	2,350	3,766	3,643	3,518
<u>Debt impairment provision</u>										
Balance at the beginning of the year					538	538	538			
Contributions to the provision										
Bad debts written off					2,112	2,112	2,112	2,234	2,357	2,482
Balance at end of year		-	-	-	2,650	2,650	2,650	2,234	2,357	2,482
<u>Property, plant and equipment (PPE)</u>										
PPE at cost/valuation (excl. finance leases)		89,686	73,657	80,087	150,604	114,593	114,593	154,670	187,566	224,595
Leases recognised as PPE	3	-	-							
Less: Accumulated depreciation		9,259			14,474	3,000	3,000	11,574	11,574	11,574
Total Property, plant and equipment (PPE)	2	80,427	73,657	80,087	136,129	111,593	111,593	143,096	175,992	213,021
LIABILITIES										
<u>Current liabilities - Borrowing</u>										
Short term loans (other than bank overdraft)										
Current portion of long-term liabilities		274	309	349	433	433	433	394	106	-
Total Current liabilities - Borrowing		274	309	349	433	433	433	394	106	-

<u>Trade and other payables</u>									
Trade and other creditors		20,769	18,874	21,899	4,000	2,000	2,000	3,000	3,000
Unspent conditional transfers		12,835	–	4,416	–	3,200	3,200	–	–
VAT		–	–	–	–	–	–	–	–
Total Trade and other payables	2	33,604	18,874	26,315	4,000	5,200	5,200	3,000	3,000
<u>Non current liabilities - Borrowing</u>									
Borrowing	4	1,158	849	688	500	500	500	106	–
Finance leases (including PPP asset element)		69	–	–	–	–	–	67	71
Total Non current liabilities - Borrowing		1,227	849	688	500	500	500	173	71
<u>Provisions - non-current</u>									
Retirement benefits									
List other major provision items									
Refuse landfill site rehabilitation			1,723	1,833					
Other									
Total Provisions - non-current		–	1,723	1,833	–	–	–	–	–
CHANGES IN NET ASSETS									
<u>Accumulated Surplus/(Deficit)</u>									
Accumulated Surplus/(Deficit) - opening balance				105,698	108,767	108,767	98,780	133,855	174,038
GRAP adjustments									
Restated balance		–	–	–	105,698	108,767	108,767	98,780	133,855
Surplus/(Deficit)		27,123	16,176	33,105	33,567	37,160	37,160	46,080	43,992
Appropriations to Reserves									
Transfers from Reserves									
Depreciation offsets				3,000	3,000	3,000	3,174	3,349	3,526
Other adjustments				242	242	242			
Accumulated Surplus/(Deficit)	1	27,123	16,176	33,105	142,508	149,170	149,170	148,034	181,196
<u>Reserves</u>									
Housing Development Fund									
Capital replacement									
Self-insurance									
Other reserves									
Revaluation									
Total Reserves	2	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	27,123	16,176	33,105	142,508	149,170	149,170	148,034	181,196

LIMB42 Mutale - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2011/12	2012/13	2013/14	Current Year 2014/15	2015/16 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population						23	92	92	92	92	92	92
Females aged 5 - 14						23	11	11	11	11	11	11
Males aged 5 - 14						19	12	12	12	12	12	12
Females aged 15 - 34						16	17	17	17	17	17	17
Males aged 15 - 34						12	15	15	15	15	15	15
Unemployment						10	42	42	42	42	42	42
Monthly household income (no. of households)	1, 12											
No income						—	39,851	39,851	39,851	39,851	39,851	39,851
R1 - R1 600						—	9,775	9,775	9,775	9,775	9,775	9,775
R1 601 - R3 200						7,008	1,864	1,864	1,864	1,864	1,864	1,864
R3 201 - R6 400						2,339	1,336	1,336	1,336	1,336	1,336	1,336
R6 401 - R12 800						2,351	1,446	1,446	1,446	1,446	1,446	1,446
R12 801 - R25 600						1,054	922	922	922	922	922	922
R25 601 - R51 200						79	153	153	153	153	153	153
R52 201 - R102 400						155	33	33	33	33	33	33
R102 401 - R204 800						—	24	24	24	24	24	24
R204 801 - R409 600						246	—	—	—	—	—	—
R409 601 - R819 200						4	—	—	—	—	—	—
> R819 200						—	—	—	—	—	—	—
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area						145	76	76	76	76	76	76
Number of poor people in municipal area						116	40	40	40	40	40	40
Number of households in municipal area						27	24	24	24	24	24	24
Number of poor households in municipal area						19	15	15	15	15	15	15
Definition of poor household (R per month)						1,210	1,100	1,100	1,100	1,100	1,100	1,100

[illegible]

5.14 Municipal manager's quality certification

I **RazwiedaniShumani Samuel**, the municipal manager of Mutale municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Marutha Ramadiga Melvin

Chief Financial Officer of Mutale local Municipality (LIM342)

Signature _____

Date _____

Print Name: Razwiedani Shumani Samuel

Municipal Manager of Mutale local Municipality (LIM342)

Signature _____

Date _____